



Finance Sub-Committee

Minutes of a meeting held on Wednesday 22 October 2014 at 7.30pm, Kasen Room, East Northamptonshire House, Thrapston

Present: Councillors: Steven North - Chairman
Richard Lewis – Vice-Chairman
Peter Baden
Roger Glithero JP
Glenvil Greenwood-Smith

Officers: David Oliver (Chief Executive)
Glenn Hammons (Chief Finance Officer)
Katy Everitt (Head of Resources and Organisational Development)
Phil Grimley (Head of ICT Services)
Ian Jenkins (LGSS)

1.0 MINUTES

1.1 The minutes of the meeting of the Finance Sub-Committee held on 25 June 2014 were approved and signed by the Chairman

2.0 APOLOGIES FOR ABSENCE

2.1 Apologies for absence were received from Councillors David Brackenbury and Glenn Harwood

3.0 DECLARATIONS OF INTEREST

3.1 No declarations of interest were made.

4.0 QUESTIONS UNDER PROCEDURE RULE 10.3

4.1 There were no questions submitted under Procedure Rule 10.3.

5.0 BUDGET MONITORING TO AUGUST 2014/15

5.1 The Chief Finance Officer presented a report providing an update on the forecast Revenue and Capital positions against the approved budgets for the period ended August 2014.

5.2 The estimated services outturn for the year was an underspend of £808,000

(rounded to the nearest £1,000) which was largely due to planning fee income being significantly higher than budgeted; savings arising from vacant posts and budget adjustments. Approximately £390,000 of the estimated underspend was ongoing and would be incorporated into the budget for 2015/16.

- 5.3 The average staffing variance of 4.6% experienced over the previous 3 years would be reduced to 3.5% for 2015/16 on a pilot basis and this would be monitored by the Sub-Committee.
- 5.4 A number of capital schemes which were considered ready to progress from the Development Pool into the Approved Capital Programme were submitted for approval.
- 5.5 Consideration was given to the funding position of the Disabled Facilities Grants fund and it was noted that once applications for these grants were deemed "critical" the grants would need to be funded. The Sub-Committee asked for an update report to be submitted to the next meeting, to also include details of the locations for which grant applications had been made.

RESOLVED: That

- i) the current budget monitoring position be noted.
- ii) the five capital schemes set out in section 4.5 of the report be moved from the Development Pool into the Approved Capital Programme
- iii) a report on the Disabled Facilities Grants funding position and locations of grant applications be submitted to the next meeting of the Sub-Committee
- iv) an update on the Business Rates position will be reported to the next meeting be noted

(Reason – to enable capital schemes to progress and the Sub-Committee to monitor the DFG budget)

6.0 TREASURY MANAGEMENT REPORT

- 6.1 The Chief Finance Officer presented a report outlining the latest Treasury Management position for 2014/15.

RESOLVED: That the latest Treasury Management performance be noted.

(Reason – in accordance with CIPFA guidance and best practice in Treasury Management)

7.0 PROCUREMENT STRATEGY

- 7.1 The Chief Finance Officer submitted a revised Procurement Strategy for the Sub-Committee to consider which had been prepared following a periodical review. The Strategy had last been reviewed in 2011

- 7.2 It was noted that new Procurement Regulations were expected to be implemented early next year and the provisions within these Regulations would necessitate a further review of the Council's Procurement Strategy.
- 7.3 The Council's Contract Procedure Rules were also being reviewed and a report would be submitted to the Sub-Committee in due course.

RESOLVED TO RECOMMEND TO THE POLICY AND RESOURCES

COMMITTEE: That the Procurement Strategy attached at Appendix 1 be approved

RESOLVED: that a further report on the implications of new Procurement Regulations be submitted to a future meeting of the Sub-Committee

(Reason – to ensure the Council has an up to date and effective Procurement Strategy)

8.0 EXCLUSION OF PUBLIC AND PRESS

RESOLVED:

That the public and press be excluded from the meeting during consideration of the following items of business because exempt information, as defined under paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972, may be disclosed.

9.0 ASSET MANAGEMENT – SALE OF LAND AND BUILDINGS PROGRESS UPDATE

- 9.1 The Head of Resources and Organisational Development provided the Sub-Committee with an update on progress made in relation to the sale of Council owned land and buildings.

RESOLVED: That the contents of the report be noted.

(Reason: to note the progress on the sale of assets)

10.0 LAND ADJACENT 37 THORPE STREET, RAUNDS

- 10.1 The Head of Resources and Organisational Development submitted a report seeking the Sub-Committee's consideration of the sale of the above site and the proposed terms for any sale of the land.

RESOLVED: that the land be not sold immediately and the potential for development on this site and adjoining land be investigated and a further report be submitted to the Sub-Committee.

(Reason – to ensure that maximum income is generated from any sale of the site)

Chairman



East
Northamptonshire
Council

Procurement Strategy



Supporting Small Businesses in our High Streets

2014

Introduction

In the UK, councils spend about £60 billion each year procuring goods and services. In East Northamptonshire, the Council (ENC) spends around £11.4 million. There is significant benefit in ensuring this money is well spent.

We recognize the need to maximise the opportunities that good procuring provides, to ensure value for money; improved services and choice for customers; and to support the local economy.

It has always been the case that recessions encourage innovation and this means that as a council we must look at new and innovative ways to provide better services to our residents with less money. We want the way we procure to encourage suppliers to improve the services they provide and give employment prospects to the community

We are committed to building on the excellent examples of contract management within the council and move towards supplier relationship management so that our efficiencies deliver more for less through innovation. We will continue to take opportunities to collaborate with other councils to pool our resources and increase our buying power and to get better deals from suppliers.

We will listen to feedback from current suppliers, local businesses and, in particular, local small and medium enterprises (SMEs) and we want to make it easier for you to work with us and win our contracts. We want a vibrant local economy and want our customers to have more choice too.

You will know that we have been successful in our new approach if we meet the success measures in this strategy and the aspirations set out below:

- Suppliers tell us that our processes are straightforward, less bureaucratic and that we have reduced red tape.
- Suppliers tell us they find it easier to spot opportunities to bid for work.
- The people who use council services, residents, community organisations and partners tell us that the goods and/or services meet their needs.
- Our suppliers engage in pre-procurement dialogue; provide feedback; tell us they are aware of trading opportunities with us; and, if appropriate, we secure their input and expertise to develop our services.
- Local chambers of commerce, the Federation of Small Businesses, other local business associations, other representative trade and industry bodies and voluntary sector representative groups engage with us in developing our procurement approach.
- We deliver efficient, effective and economic procurement of services to deliver value for money.

We are working collaboratively using professional buying organisations including the Government Procurement Service and others, to make best use of existing expertise and resources, and to share best practice.



Councillor Steven North

Leader and Chair of Finance Sub Committee

Supporting our local economy

Focusing public money on local businesses and employment for local people

We are keen to make the public money we spend go further. East Northamptonshire has an estimated 2,400 businesses. We have always supported local businesses and want a vibrant local economy.

We know that 67 per cent of ENC businesses are SMEs so we will ensure that it is just as likely that an SME wins our business as a large supplier.

Payment of suppliers will be managed promptly in accordance with the council's payment policy. This includes effort to pay all suppliers within 30 days, and to pay local* suppliers within 10 days of invoice receipt. Performance measures are in place to monitor prompt payment.

ENC advertises contracts on a single portal to improve communication to suppliers of potential work available. Businesses will also be provided with a single point of contact to register what services they offer, although this will not form any type of approved list.

<http://www.sourcenorthamptonshire.co.uk/>

The council will consider the impact upon the market of packaging and presenting the council's requirements in a way that attracts competitive quotes. Where appropriate, the council will make use of competitive dialogue to meet the needs of the users in the most economically advantageous way.

The Social Value Act provides the council with the ability to ensure that the organisations we work with demonstrate corporate social responsibility that contributes to the prosperity of East Northamptonshire.

MEASURE OF SUCCESS:

1. 90% of local suppliers paid within 10 days. In 2013/14 we paid 97.1%
2. Contracting with local SMEs promotes growth and wealth in East Northants
3. Suppliers tell us they find it easier to spot opportunities to bid for work



* The council defines local as being within ENC Boundary

Making Business Easier

Making competition for public contracts fair and possible for all businesses

Public procurement is highly regulated in order to ensure fair and open competition, and over the years the rules have become more complicated.

We want to make it easier for businesses to find tender opportunities. We also want to make the time taken to submit bids shorter. We will advertise opportunities to contract with the council on the Source Northamptonshire Portal as well as our website and ensure that successful contractors advertise their sub-contracting opportunities on that portal too.

<http://www.sourcenorthamptonshire.co.uk/>

Red tape often springs from a need to demonstrate control - control of risk. However, sometimes this need to control risk can lead to policies and procedures that are unnecessarily burdensome particularly on SMEs and voluntary sector organisations.

The council has invested in an approach to procurement that allows greater flexibility and creativity whilst appropriately managing risk.

The council is committed to ensuring that when developing a commercial strategy for procurement, we will ensure that the requirements for managing risk do not stifle competition or innovation.

MEASURE OF SUCCESS:

1. The council will aim to reduce the average timescale of procurements.
2. Suppliers tell us that our processes are straightforward, less bureaucratic and that we have reduced red tape



Benefiting the Community

Spending public money in the right way for the benefit of the district.

Procurement is an opportunity for us to improve and develop our services through innovation. Every time the council renews a contract, it will consider the following:

1. Does the service provide the outcomes required by our customers?
2. If not, should we consult customers, providers and other interested parties and consider re-designing the service?
3. Is the service cost-effective?

By asking these questions, the council will find opportunities to improve services and deliver better outcomes.

The council will continue to share best practice procurement with the voluntary and community sector to improve accessibility and enable community groups to benefit from economies of scale wherever possible

All major procurement shall consider the sustainable development goals of the council and ensure that decisions consider how to promote sustainability and biodiversity.

MEASURES OF SUCCESS:

1. For procurements over £50,000, we will aim to include pre-tender dialogue with suppliers where possible.
2. The people who use council services, residents, community organisations and partners tell us that the goods and services being procured meet their needs



Sensible spending

Efficient, effective and economic procurement of goods and services to deliver value for money

A number of external and national reviews of procurement activity concluded that fragmented spending inhibits the achievement of procurement efficiencies, and suggest that collaboration is an effective solution.

Sensible spending is achieved by:

engaging with the market to inform and test out service redesigns;

identifying opportunities to improve supply chain management;

improving supplier relationship management so that innovation is at the heart of contract management discussions;

reducing the time spent identifying a supplier and increasing the time spent developing the contractual relationship.

By working through the programme of actions listed above, it will enable officers to improve its understanding of the sectors that it is engaged with. This improved understanding will enable strategic decisions to be made about how we purchase and who we purchase from.

The council will explore the benefits of electronic invoicing, e-auctions and e-tendering in line with the latest guidance and best practice.

The Welland Procurement Unit is a shared resource and ENC was a founding member in 2006. A number of major contracts have been negotiated with the assistance of the Welland Procurement Unit, which have delivered, or will deliver, significant savings to the council. £4.1m has been saved since 2006.

ENC has entered into shared services with neighbouring councils for a variety of functions; it will continue to explore possibilities of shared working and shared purchasing wherever it is advantageous to do so.

Measures of success

1. We are working collaboratively using professional buying organisations including the Government Procurement Service and others to make best use of existing expertise, resources, and to share best practice
2. We will demonstrate commitment to this strategy by being transparent and publishing spending of over £500 by supplier on our website



£3.2 million invested in our leisure facilities across the district through procurement in 2013/14 and 2014/15.



For more information, please contact:

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